

Salary Negotiation: Some Principles and Tips

HOW TO THINK ABOUT NEGOTIATING COMPENSATION

Negotiation is a professional part of hiring. Do employers ever withdraw an offer because a candidate tries to negotiate? It can happen, but rarely: it may be because the candidate comes across as arrogant and demanding, or the employer takes any attempt to negotiate as an affront. In that case you might question whether you'd be happy working there.

Weigh the cost of not negotiating: There is a lot at stake: significant earnings gap over time, missed opportunity to demonstrate valuable negotiating skills (that you can use on their behalf), and possible loss of standing ("We probably could have hired her for less..." rather than: "Wow, we are lucky to hire her for \$8,000 more!")

Approach negotiation as a collaborative discussion around a common goal:

- You and the employer want you on the team; the conversation is simply about agreeing on mutually acceptable terms.
- You both are evaluating the value of this match. Know what you want, and be an equal in the conversation.

PREPARE CAREFULLY

Define your worth through salary research, even before your first interview: Use a couple of salary calculators to determine a reasonable range: Glassdoor.com, Payscale.com, Salary.com, etc.

- This is important, especially if the employer is pressing you for a figure early on: you can name one you know is within a reasonable range.
- Best is to avoid discussing salary too early, however: your strongest position is when they have made you an offer. Or at least narrowed down to their top candidates. Until then, you can say something like:
 - "I need to better understand the job responsibilities as well as the *total* compensation package. I look forward to reaching a fair agreement with you on salary."
 - "What salary range do you have in mind? I'm glad to respond to a specific offer."



Prepare and rehearse your case: the relevant skills and experience you bring, and answers to arguments they may make.

Know what you want, but do not plan to argue on the basis of *your* needs (student loan payments, children to support, etc.) Employers consider those obligations your responsibility, and such arguments don't add value to your candidacy.

WHEN THEY PRESENT YOU AN OFFER

Always respond appreciatively, but do not say Yes or No right off. Say that you look forward to talking more once you've reviewed the terms and the total compensation. (A day or two is typical, but you can negotiate for more time.)

Regard the offer as a 'first offer,' which you can counter: Arrange to negotiate in person if possible, or otherwise by phone. (Negotiating by email makes it harder to evaluate and manage how the conversation is going.)

Present your salary research and other arguments as to why you qualify for a higher offer. Respond to counter-arguments with "Yes, *and...*," not "Yes, *but...*" Were you an intern with this company? If so, you are saving them a great deal in training cost, so negotiate the salary or bonus upward on that basis.

Respectfully and persistently make your case: Advocate for yourself in terms of how you *both* benefit.

Remember: if they're making an offer, *they want you*. Just be professional about negotiating: respect their arguments, yet be confident about yours. Be calm, gracious, and persistent. Some examples:

"I bring a rare combination of skills: the technical competencies you're looking for, and the ability to communicate with different audiences. Here's an example ..."

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- “I’ve taught myself complex new topics and skills. For example [...]. I will learn fast on the job.”

Manage your nonverbals: Tap into your confidence. Sit straight, make eye contact, listen well, and remember to smile!

WHEN YOU HAVE REACHED THEIR LAST OFFER, AND IT’S LESS THAN YOU BELIEVE YOU’RE WORTH

Evaluate the **total compensation they are offering** (some things are worth more than money!)—and compare the terms with other offers you might have received.

Negotiate other aspects: more time off, childcare, moving expenses, flextime, tuition, a laptop, job title, etc. If you are truly interested in the job, those may be more valuable than money—and some actually *save* you money.

Total Compensation Considerations	Priority
Sign-on bonus (amount & when paid)	
Early performance & Salary review	
Better Title	
Higher, or different, responsibilities that you are qualified to take on	
Vacation days (# of days, when starts, accrual rate, when can use)	
FlexTime	
Teleworking (Come with a plan for when you’d work outside the office, and how it would benefit them.)	
Tuition reimbursement (amount, reimbursement timing, grades required)	
Car (provided or value of allowance, if you must drive for work aside from commuting)	
Cell phone (partially or fully covered)	
Subsidy or reimbursement for gym membership, transportation costs, child care	
Personal days (#)	
Variable compensation (potential bonus \$/%, commission, stock options, etc.)	
List other items that would be important to you:	

You can propose a timeframe for a salary review, based on meeting certain objectives and having your salary adjusted to an

Evaluate your BATNA (best alternative to a negotiated agreement): What are your options? Do you have better ones? If this option doesn’t feel right, is it better to wait for a better match? It’s a competitive market, but if you received this offer you, you are more likely to receive others.

Decide if it’s worth it to you to accept: e.g., if it provides valuable experience for your future, if it’s a company you want to work for, if you like your potential new good colleagues you like the manager, etc.

- **If so, get the final offer in writing before signing!** Negotiations are over once you accept an offer.
- **If not, don’t say “No”; say “Not now”:** Show you value the prospect of future opportunities with the organization, and end on good terms. Say how much you have appreciated their offer and your discussions with them.

If you have negotiated new terms, get them in writing before signing on! Take the time again to review a written statement of the terms and the total compensation package (not just salary, *see below*).